

**STATE OF NEW HAMPSHIRE**  
**RFP 2016-Turnpike16-B**

**REQUEST FOR PROPOSALS –Turnpike Insurance Reserve**

**INTRODUCTION**

The New Hampshire Insurance Department (NHID) is seeking assistance in performing analyses to determine the amount of insurance reserves that should be held in an Insurance Reserve Account established for the NH Turnpike System. The Insurance Reserve Account was established under the provisions of the General Bond Resolution authorizing the issuance of State of New Hampshire Turnpike System Revenue Bonds, which was passed in 1987, and amended in 1990, 1991, and 1992 (the General Resolution). The Turnpike System is comprised of the toll roads in the State and is more specifically described in RSA 237. The revenue bonds provide funding for capital improvements of the Turnpike System pursuant to RSA 237-A.

Section 4.5(a) of the General Resolution states that: “The State shall at all times maintain such insurance with respect to the System, either through insurance reserves or insurance policies, as it determines necessary or prudent to protect the interests of the State and the Bondholders. In the event of loss or damage to property covered by the insurance, the State shall repair and reconstruct or replace the damaged or lost property as soon as practicable and to the extent necessary for the proper conduct of its operations and shall apply the proceeds of the insurance for that purpose to the extent needed.”

Section 4.5(b) of the General Resolution states that: “There is hereby established a special trust fund of the State to be held and administered by the Treasurer and to be known as the Turnpike System Insurance Reserve Account. Upon delivery of the first series of bonds issued under the Resolution the State shall deposit the sum of \$3,000,000 into the Insurance Reserve Account, which amount will be available to insure against risks that would otherwise be covered by policies of insurance. The State, acting through its Department of Insurance, shall annually review the kinds and amounts of insurance policies and self-insurance maintained by the State with respect to the System and no later than 60 days after the end of each fiscal year shall deliver to the Treasurer a report describing the insurance then in effect and a certificate from the Commissioner of Insurance of the State setting forth the Insurance Reserve requirement for the next fiscal year or any portion thereof; provided however that the Insurance Reserve Requirement shall at all times be no less than \$3,000,000.”

The state of New Hampshire is self-insured for these exposures, and does not currently purchase any type of insurance, reinsurance or excess coverage for damage to or loss of revenue from or liability arising out of the operation of the New Hampshire Turnpike System. Since its inception in 1987, the Insurance Commissioner has not increased the minimum Insurance Reserve Requirement of \$3,000,000. There have been no claims against the reserves.

The New Hampshire Insurance Department (NHID) is requesting proposals from qualified risk assessment professionals to perform an analysis to help determine the amount of reserve needed under the General Resolution to insure against risks that would otherwise be covered by policies of insurance for fiscal year 2017 and a methodology for determining the reserve in future years. The analysis must include a detailed risk assessment and a thorough analysis of the insurance exposure to all Turnpike System property, roads, and bridges, including the probability of loss from catastrophic events. The report should include an estimate of the expected annual loss and the maximum probable loss, including lost revenue as a result of disruption in the operations of Turnpike System, as well as an exceedance probability curve and an estimate of the required reserve at various confidence levels, for business interruption and other insurable risks.

## ATTACHMENTS

A detailed description of the Turnpike System is contained in the most recent Official Statement published with the issuance of Turnpike System Revenue Bonds, 2015 Series A. A copy of the Official Statement is provided below. Risk Management and Insurance is discussed on Page 11. Beginning on page 20 is a description of “the Turnpike System. On Page 77, the Jacobs Traffic and Revenue study is included.



Official Statement  
2015 Series A 6-10-15

Also attached are the recently completed Risk Assessment of the Turnpike System’s Toll Collection System and Back Office System.



Final Draft NHDOT  
Risk Register v1.4 8-15



NHDOT Task 5 Risk  
Assessment Memo 1-15

In addition, the following documents are available as additional information.

- NH Annual Report and Information Statement 03/27/2015  
<http://www.nh.gov/treasury/Divisions/DM/annual-report-continuing-disclosure.pdf>
- 2015 NH Comprehensive Annual Financial Report  
<http://admin.state.nh.us/accounting/FY%2015/CAFR%20FY15.pdf>

In performing these analyses, the Contractor shall work with the NHID and the NH Department of Transportation as needed to collect the data and any other information needed by the contractor to effectively complete this project.

## GENERAL INFORMATION / INSTRUCTIONS

Electronic proposals will be received until 4 pm local time, on **April 1, 2016**, at the New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, New Hampshire, 03301. Emails should be sent to [sally.macfadden@ins.nh.gov](mailto:sally.macfadden@ins.nh.gov) and include in the subject line: "RFP for Turnpike Insurance Reserve." The state reserves the right to reject any or all proposals.

NHID may at its sole discretion extend the proposal submission deadline, however time is of the essence.

Proposals should be prepared simply and economically, organized in a fashion that addresses each of the criteria specified in Section B. Proposals should provide a straightforward, concise description of bidder capabilities to satisfy the requirements of the RFP, and a description of how the bidder intends to approach the assignment. All requirements stated in the RFP must be addressed in the proposal. Emphasis should be on completeness and clarity of content.

The Contractor shall be responsible for a presentation to interested parties on the analysis, findings, and recommendations.

Evaluation of the submitted proposals will be accomplished as follows:

- (A) **General.** An evaluation team will judge the merit of proposals according to the general criteria defined herein.

Officials responsible for the selection of a Contractor shall ensure that the selection process accords equal opportunity and appropriate consideration to all who are capable of meeting the specifications.

Selection is contingent on the availability of funds.

Failure of the applicant to provide in its proposal all information requested in the Request for Proposals may result in disqualification of the proposal.

- (B) **Specific.** A comparative scoring process will measure the degree to which each proposal meets the following criteria:

(1) **Experience and Qualifications** of the firm and key personnel in performing similar types of analysis and reporting for other states and insurance entities. The firm shall provide evidence of experience with risk assessment, catastrophe modeling, and reserve analysis. The proposal must include a listing of references of recent engagements that are comparable to this project and reflect the skills appropriate for work on this project, including any work performed for State Agencies, in NH or otherwise. The proposal must include a summary of experience of key personnel including current resumes of all personnel that might be assigned to these studies. The proposal shall specify the expected number of hours for each staff member that will be assigned to the project.

20 percent

(2) **Approach to the Assignment** including a description of the steps the firm will take to complete the assignment, the planned research for this assignment and the methodologies that the bidder intends to use.

20 percent

(3) **Timeframe.** The proposal must specify a timeframe, including critical path, and milestones, in which the entity commits to delivering the completed, requisite study and analysis to the Department. **The NHID requires the final report by June 30, 2016.**

20 percent

(4) **Cost for the analyses.** The proposal should include the hourly or daily rate for individuals, and an estimate of the amount of time each person might be expected to expend on the project. ***The NHID expects this project to cost around \$40,000.*** The proposal must include a budget for the total expenses and must include not-to-exceed limits. The review committee will evaluate proposals based on the not-to-exceed limit, as that amount will be used in the P-37 with Contractor. The response required pursuant to this part shall be sufficiently detailed to create a general expectation of the contractor's ability to complete the project within the proposal costs anticipated.

40 percent

(C) **Conflict of Interest.** The applicant shall disclose any actual or potential conflicts of interest.

NHID intends to enter into a "not to exceed contract" as a result of this RFP. If an award is made, it shall be based on the evaluation of the submitted proposals in accordance with the review criteria in Section B(1-4), below. NHID does not commit to the award of a contract as a result of this RFP.

NHID reserves the right, at its sole discretion, to interview bidders after initial evaluation of the proposals and before NHID conducts final scoring of the proposals.

Due to the short timeframe, there is no formal question and answer period, however, written questions can be presented and if time permits, answers will be posted on the Department's website. Direct questions to: [sally.macfadden@ins.nh.gov](mailto:sally.macfadden@ins.nh.gov).

By submitting a proposal, the bidder agrees that in no event shall the State be either responsible for or held liable for any costs incurred by a bidder in the preparation of or in connection with the proposal.

If a bidder is selected, NHID will inform the selected bidder of its selection and desire to enter into contract discussions. In the event that contract discussions are unsuccessful, NHID may enter into contract selections with the second rated bidder.

The successful bidder will be required to execute a state of New Hampshire Contract, a P-37. Attached exhibits will become part of the final contract. The P-37 is the general contract required by state of New Hampshire purchasing policies and the Department of Administrative Services. Although this standard contract in some situations can be modified slightly by mutual agreement between the successful bidder and the New Hampshire Insurance Department, all bidders are expected to accept the terms as presented in this RFP. If the bidder requires any changes to the P-37, those changes need to be identified in the proposal. Failure of the bidder to accept the terms of the Exhibits as presented may result in the disqualification of the proposal. The P-37 and all documents included with the P-37 are subject to approval by the New Hampshire Governor and Council and those documents will be made available to the public. The contract award will be contingent on the availability of necessary funds.

Bidders should be aware that New Hampshire's transparency law, RSA 9-F, requires that state contracts entered into as a result of requests for proposal such as this be accessible to the public online. Caution should be used when submitting a response that trade secrets, social security numbers, home addresses and other personal information are not included.

All material received in response to this RFP shall become the property of the State. Bidders shall maintain the confidentiality of proposals until such time as the State may release such information pursuant to RSA 21-G:37. Generally, all proposals (including all materials submitted in connection with them, such as attachments, exhibits and addenda) become public information five (5) days prior to submission of the proposed contract to the Governor & Executive Council. However, to the extent consistent with applicable state and federal laws and regulations, as determined by the State, including, but not limited to, RSA Chapter 91-A (the "Right-to-Know" Law), the State will attempt to maintain the confidentiality of confidential portions of a proposal that are clearly and properly marked by a bidder as confidential. Any and all information contained in or connected to a proposal that a bidder considers confidential must be clearly designated in a manner that draws attention to the designation. The State shall have no obligation to maintain the confidentiality of any portion of a proposal or related material, which is not confidential or if the portion is not so marked. Marking an entire proposal, attachment or sections thereof confidential without taking into consideration the public's right to know will neither be accepted nor honored by the State. Notwithstanding any provision of this RFP to the contrary, pricing will be subject to public disclosure upon the effective date of all resulting contracts or purchase orders, regardless of whether or not marked as confidential. If a proposal results in a purchase order or contract, whether or not subject to approval by the Governor and Executive Council, all material contained in, made part of, or submitted with the contract or purchase order shall be subject to public disclosure.

If a request is made to the State by any person or entity to view or receive copies of any portion of a proposal and if disclosure is not prohibited under RSA 21-I: 13-a or RSA 21-G:37, bidders acknowledge and agree that the State may disclose any and all portions of the proposal or related materials which is not marked as confidential. In the case of proposals or related materials that contain portions marked confidential, the State will assess what information it believes is subject to release; notify the bidder that the request has been made; indicate what, if any, portions of the proposal or related material will not be released; and notify the bidder of the date it plans to release the materials. The State is not obligated to comply with a bidder's designation regarding confidentiality.

By submitting a proposal, the bidder agrees that unless it obtains and provides to the State, prior to the date specified in the notice described in the paragraph above, a court order valid and enforceable in the State of New Hampshire, at its sole expense, enjoining the release of the requested information, the State may release the information on the date specified in the notice without any liability to the bidder.

The selection of the winning proposal is anticipated by **April 8, 2016**, and the NHID will seek to obtain all state approvals by **May 18, 2016**. Please be aware that the winning bidder will need to provide all signed paperwork and documents to the NHID by **May 4, 2016** in order for deadlines to be met.